



Office of Court Administration

Collection Improvement Program

**Independent Auditor's Report
on Court Collections**

Montgomery County

March 12, 2015

CONTENTS

Transmittal Letter	
Executive Summary	1
Detailed Procedures and Findings	2
Appendix A – Objective, Scope, and Methodology	9
Appendix B – Report Distribution.....	10

EXECUTIVE SUMMARY

Audit Results

The Collection Improvement Program (CIP) Audit Department of the Office of Court Administration (OCA) has performed the procedures enumerated below, which were agreed to by the CIP Technical Support Department of the OCA and the Montgomery County (County). The procedures were performed to assist you in evaluating whether the collection programs of the County have complied with Article 103.0033 of the Code of Criminal Procedure and Title 1, §175.3 of the Texas Administrative Code (TAC).

Our testing indicates the collection programs for the County are compliant with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. In testing the required components, no findings were noted.

We were not engaged to, and did not, conduct an examination of the County, the objective of which would be the expression of an opinion on the County's financial records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

The County's management is responsible for operating the collection program in compliance with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

The sufficiency of these procedures is solely the responsibility of the CIP Technical Support Department of the OCA, and we make no representation regarding the sufficiency of the procedures for the purpose for which this report has been requested or for any other purpose.

The compliance engagement was conducted in accordance with standards for an agreed-upon procedures attestation engagement as defined in the attestation standards established by the American Institute of Certified Public Accountants.

Objective

The objective of the engagement was to determine if the County complied with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

Summary of Scope and Methodology

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of November 1, 2013 through December 31, 2013, but were not paid at the time of assessment. Cases were tested beyond the audit period to determine compliance with all components of the collection program. The procedures performed are enumerated in the Detailed Procedures and Findings section of this report.

Reporting of Sampling Risk

In performing the procedures, the auditor did not include a detailed inspection of every transaction. A random sample of cases was tested as required by 1 TAC §175.5(b). In consideration of the sampling error inherent in testing a sample of a population, a specific error rate cannot be reported; however, we can report the range within which we have calculated the error rate to fall.

DETAILED PROCEDURES AND FINDINGS

1. *Obtain a population of all adjudicated cases in which the defendant does not pay in full within one (1) month of the date court costs, fees, and fines are assessed.*

The County provided a list of defendants who accepted an extension and/or a payment plan during the period of November 1, 2013 through December 31, 2013. The population received was from three (3) separate County collection programs, the Centralized program, Justice of the Peace, Precinct 4, and the Community Supervision and Corrections Department (CSCD) program. The County's data population was reviewed to remove cases defined as exclusionary cases delineated by the restrictions in the Request for Information form. For this discussion the populations are referred to as the Central, JP4, and CSCD populations.

- The Central population was composed of Justice of the Peace, County Court-at-Law, and District Court cases where defendants who requested and received an extension and/or a payment plan agreement as the method to satisfy the court costs, fees, and fines owed. A total of 1,423 cases were submitted by the centralized program.
- The JP4 population consisted of 4,296 cases that covered the time period from 1993 through 2013. However, only 106 cases met the audit time period requirements.
- The CSCD population consisted of defendants who must satisfy the conditions of the Community Supervision and Corrections (Probation) program as ordered by the Court. A total of 13 cases were identified that met the specified audit period.

2. *Select a randomly-generated, statistically-valid sample of cases to be tested.*

A randomly-generated, statistically-valid sample was taken from the Central, JP4, and the CSCD populations. The number of samples tested are listed below:

- The Central program – 38 cases were tested for components 5 through 8 as detailed in Procedures 8 through 11 outlined below. In addition, 40 cases were tested for components 9 and 10, and 31 cases were tested for component 11, as detailed in Procedures 12 through 14 below.
- JP4 – Three (3) cases were tested for components 5 through 11, as detailed in Procedures 8 through 14 below.
- CSCD program – Two (2) cases were tested for components 5 through 8, as detailed in Procedures 8 through 11 outlined below.

3. *Obtain a completed survey, in a form prescribed by CIP Audit, from the jurisdiction.*

A completed survey was obtained and reviewed for information pertinent to the engagement. Survey responses were used to determine compliance with Procedures 4 through 6 outlined below.

4. *Evaluate the survey to determine if each local collection program has designated at least one (1) employee whose job description contains an essential job function of collection activities. Answers received will be verified during field work.*

Each collection program had at least one staff employee whose job description contains essential job functions of the collection activities. During the field audit process, the auditor met, observed, and discussed the County's collection staff job duties relating to the County's collection activities.

- The County's Central collection program has several collection personnel, and an Administrative Manager whose primary job function is collection activities for Justice Courts, County Courts-at-Law, and District Courts.
- The JP4 Court has a Collection Specialist and a Chief of Staff whose priority job function include collection activities. In addition, the Court employs several employees who help collect the court costs, fees, and fines from defendants.
- The County's 410th District Court employs a Court Coordinator/Collections Coordinator whose primary job functions include collection activities. In the CSCD department, Probation Officers conduct monthly meetings with defendants to ensure the defendant complies with the term of their probation. During these meetings, the Probation Officers address the collection of court costs, fees, and fines. The CSCD's Court Liaison Officer coordinates with the Court and the District Clerk's office to ensure each defendant's compliance with the payment terms of their probation, and address delinquencies.

The County is compliant with this component.

5. *Evaluate the survey to determine if program staff members are monitoring defendants' compliance with the terms of their payment plans or extensions. Answers will be verified through testing of Defendant Communication components.*

The County's monitoring process of defendant's compliance with the terms of the extension or payment plan agreement is as follows:

- The County's Central collection program employs an in-house, automated system to record and maintain event records of cases assigned to the collection program. All events such as interviews, payments, and supporting documentation are recorded electronically to form a comprehensive performance record on each case. The system produces monthly reports listing delinquent defendants related to the Collection Improvement Program. Call notices are made every Friday on delinquent cases, and reminder mailers go out to defendants every other week.
- The JP4 Collection Specialist maintains a manual tickler process to identify delinquent cases. The Specialist makes call notices and sends out reminder letters to defendants delinquent with their payment terms. Contact notices are recorded on the tickler file (card/jacket), and a note entered in the automated system to document notices sent.
- The County's District Clerk's office monitors all payment schedules and records defendant's payment events electronically. The CSCD department monitors defendant's compliance with the terms of their payment schedule. Probation Officers record all defendant activities while on probation. During regularly scheduled monthly meetings, the Probation Officer addresses all aspects of compliance with the conditions of the community supervision order with the defendant, which includes the collection of court costs, fees, and fines.

While on-site, the auditor met, observed, and discussed the staff's monitoring program responsibilities.

The County is compliant with this component.

6. *Evaluate the survey to determine if the program has a component designed to improve collection of balances more than 60 days past due. Answers will be verified through testing of Defendant Communication components.*

The processes to improve collection of seriously delinquent cases are as follow:

- Central Collection program - County Court-at-Law defendants are placed on a compliance docket to appear before the Administrative Judge, and/or must pay past-due balance before the defendant is allowed to continue with the original payment plan agreement. A Capias Pro Fine warrant is issued for non-compliance and the defendant's driver's license is flagged in OmniBase¹. Delinquent District cases and Justice of the Peace Court cases are also reported to OmniBase. The Justice courts are notified of the defendant's delinquency, with a recommendation to issue a Capias Pro Fine warrant.
- Justice of the Peace, Precinct 4 – The defendant is set for a Show Cause Hearing to explain to the Judge why they cannot meet their obligations. If the defendant remains non-compliant, the defendant's case is forwarded to a third-party collections vendor, the defendant's driver's license in flagged in Omnibase, and a Capias Pro Fine warrant issued.
- District Clerk's Office – The office processes cases more than 60 days past-due. Notifications of delinquency are documented, and the defendant is set for a hearing with the Judge to show cause for non-compliance.

While on-site, the auditor verified that the process was described correctly.

The County is compliant with this component.

7. *Verify with CIP Technical Support and/or CIP Audit Financial Analyst(s) that the program is compliant with reporting requirements described in 1 TAC §175.4.*

The County was current with reporting requirements based on the documented results found in the OCA, CIP Court Collection Report software for calendar year 2013.

The County is compliant with this component.

¹ OmniBase Services of Texas maintains and administers the central database for the cities and counties contracted to use the Department of Public Safety's Failure to Appear (FTA) Program. The FTA program provides an effective collection and enforcement tool by restricting the violator's ability to renew their driver's license for outstanding violations.

8. *Test samples generated in Procedure 2 (above) to determine if an application or contact information was obtained within one (1) month of the assessment date, and contains both contact and ability-to-pay information for the defendant.*

Of the 43 cases tested, five (5) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 5.17%, and 19.94%.

The County is compliant with this component.

9. *Test samples generated in Procedure 2 (above) to determine if contact information obtained within the application was verified within five (5) days of obtaining the data.*

Of the 43 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 7.42%.

The County is compliant with this component.

10. *Test samples generated in Procedure 2 (above) to determine if local program or court staff conducted an interview with the defendant within 14 days of receiving the application.*

Of the 43 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 4.23%.

The County is compliant with this component.

11. *Test samples generated in Procedure 2 (above) to determine if the payment plans meet the Documentation, Payment Guidelines, and Time Requirements standards defined in TAC §175.3(c)(4).*

Of the 43 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 4.23%.

The County is compliant with this component.

12. *Test samples generated in Procedure 2 (above) to determine if telephone contact with the defendant within one (1) month of a missed payment was documented.*

Of the 43 cases tested, three (3) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 1.56%, and 13.66%.

The County is compliant with this component.

13. *Test samples generated in Procedure 2 (above) to determine if a written delinquency notice was sent to the defendant within one (1) month of a missed payment.*

Of the 43 cases tested, three (3) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 14.41%.

The County is compliant with this component.

14. *Test samples generated in Procedure 2 (above) to determine if another attempt of contact, either by phone or by mail, was made within one (1) month of the telephone contact or written delinquency notice, whichever is later, on any defendant in which a capias pro fine was sought.*

Of the 34 cases tested, three (3) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is between 6.72% and 11.79%.

The County is compliant with this component.

15. *Make a determination, based on results of the testing in Procedures 5 – 14 (above), as to whether the jurisdiction is compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3 based on the criteria defined in 1 TAC §175.5(c).*

Montgomery County is in compliance with Article 103.0033 of the Code of Criminal Procedure and with 1 TAC §175.3 based on the criteria defined in TAC §175.3(c). The County is compliant with all 11 components of the Collection Improvement Program.

APPENDICES

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The CIP Audit Department of the Office of Court Administration applied procedures, which the CIP Technical Support Department (client) and Montgomery County (responsible party) have agreed-upon, to determine if the County's collection program is compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

Scope

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of November 1, 2013 through December 31, 2013, but were not paid at the time of assessment. Cases were tested beyond the audit period to determine compliance with all components of the collection program. All cases that included court costs, fees, and fines that totaled \$10.00 or less were removed from testing.

Methodology

Performed the procedures outlined in the Detailed Procedures and Findings section of this report to test records to enable us to issue a report of findings as to whether the County has complied, in all material respects, with the compliance criteria described in Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

In performing the procedures, the 'tests' the auditor performed included tracing source documentation provided by the County to ensure the collection process met the terms of the criteria listed. Source documents include, but are not limited to, court dockets, applications for a payment plan, communication records, capias pro fine records, and payment records.

Criteria Used

Code of Criminal Procedure, Article 103.0033
Texas Administrative Code, Title 1, §175.3

Team Members

Greg Magness, CIA, CGAP; Audit Manager
David Cueva, CFE; Auditor

REPORT DISTRIBUTION

Mr. Mark Turnbull
County Clerk
210 West Davis
Conroe, Texas 77301

The Honorable James Metts
Justice of The Peace, Precinct 4
22354 Justice Drive
New Caney, Texas 77357

Mr. Brian Stanley
Chief of Staff, Precinct 4
22354 Justice Drive
New Caney, Texas 77357

Ms. Robin Wells
Court Liaison Officer
2245 North First St.
Conroe, Texas 77301

Mr. David Slayton
Administrative Director
Office of Court Administration
205 W. 14th Street, Suite 600
Austin, Texas 78711-2066

Ms. Glenna Bowman
Chief Financial Officer
Office of Court Administration
205 W. 14th Street, Suite 600
Austin, Texas 78711-2066

Mr. Lee Keeton
Regional Collection Specialist
Office of Court Administration
2656 S. Loop West Suite 400
Houston, Texas 77054

Ms. Barbara Gladden Adamick
District Clerk
301 North Main Street
Conroe, Texas 77301

Mr. Pat Hamm
Director of Adult Probation
2245 North First St.
Conroe, Texas 77301

Ms. Vickie Warner
Collections Courtroom Coordinator
301 North Main Street
Conroe, Texas 77301

Mr. Scott Griffith
Director, Research and Court Services Division
Office of Court Administration
205 W. 14th Street, Suite 600
Austin, Texas 78711-2066

Mr. Jim Lehman
CIP – Technical Support
Office of Court Administration
205 W. 14th Street, Suite 600
Austin, Texas 78711-2066